

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

U T — 0 1 — 004

2. STATE:

UTAH

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

~~January 1, 2001~~

April 1, 01

5. TYPE OF PLAN MATERIAL (Check One):

☒ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.120

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$ -0-
b. FFY 2002 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

ATTACHMENT 4.19-B, Page 19a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Same

10. SUBJECT OF AMENDMENT:

Pharmacy Reimbursement

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Rod Betit

13. TYPED NAME:

Rod L. Betit

14. TITLE:

Executive Director
Department of Health

15. DATE SUBMITTED:

February 20, 2001

16. RETURN TO:

Rod L. Betit - Executive Director
Department of Health
Box 143102
Salt Lake City, UT 84114-3102

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

April 9, 2001

18. DATE APPROVED:

6-22-01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

4-1-01

20. SIGNATURE OF REGIONAL OFFICIAL:

David Selbeck

21. TYPED NAME:

David Selbeck

22. TITLE:

Acting Associate Regional Administrator

23. REMARKS:

POSTMARK: April 4, 2001

Utah EAC

The Utah Estimated Acquisition Cost (EAC) is currently AWP-12%. This estimate has been established using information provided by a survey developed in cooperation with the Utah Pharmacy Association and other key pharmacists.

Dispensing Fee

In setting the basic dispensing fee, the state will give consideration to costs shown on periodic operation surveys, in-house studies of dispensing costs, national and regional data, and economic trends and conditions.

Special Category Fee

A. Payment for insulin, birth control pills, and non-legend (OTC) drugs will be the lowest of:

1. Billed charge;
2. EAC + special category fee C;
3. Utah MAC + special category fee C; or
4. AWP + special category fee not to exceed the maximum on the Federal upper limit list.

B. Payment for non-legend OTC antacid liquids will be the lowest of:

1. Billed charge;
2. EAC + special category fee F;
3. Utah MAC + special category fee F; or
4. AWP + special category fee not to exceed the maximum on the Federal upper limit list.

C.

Differential fee payment for select drugs reconstituted for Home I.V. infusion as typically prepared by a specialty pharmacy. Specialty pharmacies have low volume but high overhead expenses. The Department of Justice (DOJ) in year 2000 repriced the AWP for 437 NDC specific products. The repriced products necessitated four new dispensing fees. The four fees are defined as category J, category K, category L, and category M.

T.N. No. 01-004
Supersedes
T.N. No. 00-012

Approval Date 06/22/01

Effective Date 04/01/01

Table one shows unit values assigned for each category to establish the fee. An asterisk (*) equals one unit value. Items with two or more asterisks have a higher value.

Table 1
Home Infusion Drug Categories

Category 'B' or 'C'	Category 'J'	Category 'K'	Category 'L'	Category 'M'
Traditional: technician input Point-of-Sale Pharmacist input Fixed overhead costs	dispensing fee B or C plus: *Labor II factor *clinical monitoring *prefilled syringes/PB *horizontal hood *technical input	dispensing fee J plus: ****clinical monitoring *** quality assurance *** labor factor	dispensing fee K plus: *Replacement into individual doses such as a syringe *recalculations from vial to syringe to bag *large bulk inventory costs *peer review	dispensing fee L plus: *Double gloves **Gown **Vertical Hood *labor factor V *OSHA documentation *Special handling *special storage *clean room *hazardous waste
dispensing fee B or C	dispensing fee J	dispensing fee K	dispensing fee L	dispensing fee M

Special Category Fee

The special category fee is a negotiated fee initially developed in cooperation with the Utah pharmaceutical Association and other key pharmacists to apply to specific drugs historically advertised and dispensed to the general public at minimal prices. This fee may be periodically changed to reflect changing market forces.

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